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HIGHLIGHTS:

Cattle and Calves Inventory
Sheep and Lambs Inventory
Wool and Mohair Production
Grazing Fee Rates
Ag Prices Received
December Egg Production
Farms and Land In Farms

January 1 Cattle and Calf Inventory

Montana's January 1, 2005 inventory of cattle and calves was 2.35 million head, down 2 percent from the 2004 inventory of 2.40 million head, according to the Montana Agricultural Statistics Service. Record high prices for beef cows, steers and heifers, and calves during the year contributed to the decrease in the cattle inventory as many producers downsized their herds or got out of business. The cattle and calf inventory is the lowest inventory since 1991 when it was [also 2.35 million head](#).

The inventory of beef cows in Montana that had calved on January 1, 2005 was down 3 percent from a year ago to 1.432 million head. The number of milk cows in the state was unchanged from year ago at 18,000 head. There were 1.52 million calves born during 2004, down 1 percent from the previous year.

Beef heifer replacements, weighing 500 pounds or more, were down 4 percent from the previous year to 405,000 head. Milk heifer replacements increased 1,000 head from last year to 9,000 head. The number of other heifers weighing 500 lbs or more, increased 2 percent from last year to 146,000 head.

The inventory of steers in Montana weighing 500 lbs or more, was unchanged from 2004 at 200,000 head, which is the lowest inventory since 1991. The inventory of calves weighing less than 500 lbs, at 50,000 head, was unchanged from last years record low inventory. Inventory of bulls, weighing 500 pounds or more was also unchanged at 90,000 head. The number of cattle and calves on full feed that will be sent directly to slaughter decreased 14 percent from a year ago to 60,000 head.

All cattle and calves in the **United States** as of January 1, 2005, totaled 95.8 million head, 1 percent above the 94.9 million on January 1, 2004. All cows and heifers that

have calved, at 42.1 million, were up 1 percent from the 41.9 million on January 1, 2004. Beef cows, at 33.06 million, were up 1 percent from January 1, 2004. Milk cows, at 9.01 million, were up slightly from January 1, 2004. The 2004 calf crop was estimated at 37.6 million head, down 1 percent from 2003. Calves born during the first half of the year are estimated at 27.4 million, down 1 percent from 2003.

Other class estimates on January 1, 2005, and the change from January 1, 2004, are as follows:

- All heifers 500 pounds and over, 19.7 million, up 2 percent.
- Beef replacement heifers, 5.75 million, up 4 percent.
- Milk replacement heifers, 4.13 million, up 3 percent.
- Other heifers, 9.79 million, down slightly.
- Steers weighing 500 pounds and over, 16.5 million, up 1 percent.
- Bulls weighing 500 pounds and over, 2.22 million, up 1 percent.
- Calves under 500 pounds, 15.4 million, up 1 percent.
- Cattle and calves on feed for slaughter in all feedlots, 13.7 million, down slightly.
- The combined total of calves under 500 pounds, and other heifers and steers over 500 pounds outside of feedlots was 27.9 million, up 2 percent.

Montana & U.S. Grazing Rates

The average grazing fees paid by Montana producers for grazing livestock on privately owned, non-irrigated grazing land was higher for all methods except for cow-calf in 2004, according to the Montana Agricultural Statistics Service. The average amount paid for grazing livestock on an AUM (animal unit month) basis was \$15.90 per month, up 70 cents from last year. Cattle producers paid \$17.40 per cow-calf pair in 2004, unchanged from the previous year. The average per head rate was \$16.20 per month, up 30 cents from last year.

In the 17 States that estimate grazing fees in the United States, the average charge on an AUM basis was \$13.10 per month in 2004, up 80 cents from the previous year. Cow-calf rates averaged \$15.30 per month, up 90 cents and per head rates averaged \$13.70 per month, up 60 cents from 2003.

All grazing fees are for privately-owned, non-irrigated grazing land. Rates charged for public land, irrigated land, and harvested

cropland were excluded. The average AUM rate includes reported AUM rates plus reported cow-calf rates that were converted to an AUM basis. The cow-calf rate was converted to AUM basis using the following formula (1 AUM=cow-calf *0.833).

January 1 Sheep and Lamb Inventory and 2004 Wool Production

Montana's sheep and lamb inventory was 305,000 head on January 1, 2005, up 2 percent from last year. Breeding sheep and lamb numbers remain unchanged at 280,000 head. Ewes one year and older were down 2 percent to 215,000 head. Rams one year and older, at 7,000 head, were unchanged from the previous year. Replacement lambs, at 58,000 head, were up 5,000 head from a year ago. The 2004 lamb crop was 270,000 head, a decrease of 4 percent from the 2003 lamb crop.

All market sheep and lambs on hand January 1, 2005 totaled 25,000 head up 5,000 head from 2004. Of that total 3,000 head were market sheep. Of the 22,000 head of market lambs, 9 percent weighed less than 65 pounds, 14 percent weighed 65-84 pounds, 55 percent were in the 85-105 pound category, and 23 percent were over 105 pounds.

Montana wool growers produced 2.5 million pounds of wool during 2004, down 4 percent from 2003. The 2004 average price per pound of wool increased 14 cents to \$1.17 per pound, which increased the value of all wool produced by 8 percent for a total value of \$2.9 million dollars. The total head shorn decreased 2 percent from 2003 to 267,000 head. The average fleece weight decreased from 9.5 pounds in 2003 to 9.3 pounds in 2004.

U.S. all sheep and lamb inventory in the United States on January 1, 2005, totaled 6.14 million head, up slightly from 2004, but 3 percent below two years ago. The inventory has leveled off and is showing a slight increase for the first time since 1990. (Continued on next page)

SPECIAL THANKS to all livestock producers responding to our January cattle and sheep inventory surveys.

Sheep Inventory (continued)

Breeding sheep inventory increased to 4.53 million head on January 1, 2005, up 1 percent from 4.50 million head on January 1, 2004. Ewes one year old and older, at 3.57 million head, were 1 percent below last year.

Market sheep and lambs on January 1, 2005, totaled 1.60 million head, down slightly from January 1, 2004. Market

lambs comprised 95 percent of the total. Twenty-six percent were lambs under 65 pounds, 13 percent were 65 - 84 pounds, 24 percent were 85 - 105 pounds, 32 percent were over 105 pounds, and 5 percent were market sheep.

The 2004 U.S. lamb crop of 4.10 million head, a record low, was down 1 percent from 2003. The 2004 lambing rate was 113 lambs per 100 ewes one year old and older on January 1, 2004, up 3

percent from 2003.

Shorn **wool** production in the United States during 2004 was 37.6 million pounds, down 2 percent from 2003. Sheep and lambs shorn totaled 5.07 million head, down slightly from 2003. The average price paid for wool sold in 2004 was \$0.80 per pound for a total value of \$29.9 million dollars, up 6 percent from \$28.1 million dollars in 2003.

Cattle and Calves Inventory January 1, 2003-2005

Class of Livestock	Montana				United States			
	2003	2004	2005	'05/'04	2003	2004	2005	'05/'04
	1,000 head				1,000 head			
All Cattle and Calves	2,450	2,400	2,350	98%	96,100	94,888	95,848	101%
Cows & Heifers that have calved	1,450	1,490	1,450	97%	42,125	41,851	42,060	101%
Beef Cows	1,432	1,472	1,432	97%	32,983	32,861	33,055	101%
Milk Cows	18	18	18	100%	9,142	8,990	9,005	100%
Heifers 500 pounds and over	590	570	560	98%	19,628	19,344	19,672	102%
For beef cow replacement	390	420	405	96%	5,624	5,518	5,746	104%
For milk cow replacement	11	8	9	113%	4,114	4,020	4,133	103%
Other heifers	189	142	146	103%	9,891	9,806	9,793	100%
Steers 500 pounds and over	240	200	200	100%	16,554	16,277	16,511	101%
Bulls 500 pounds and over	100	90	90	100%	2,248	2,206	2,219	101%
Calves less than 500 pounds	70	50	50	100%	15,545	15,210	15,385	101%
Cattle on Feed	70	70	60	86%	13,220	13,813	13,749	100%

Calf Crop, 2002-2004

	2002	2003	2004	'04/'03	2002	2003	2004	'04/'03
Calves born during year (1,000 hd.)	1,520	1,540	1,520	99%	38,224	37,903	37,625	99%

Sheep and Lambs Inventory January 1, 2003-2005

Class of Livestock	Montana				United States			
	2003	2004	2005	'05/'04	2003	2004	2005	'05/'04
	1,000 head				1,000 head			
All Sheep and Lambs	310	300	305	102%	6,300	6,105	6,135	100%
Breeding sheep	280	280	280	100%	4,658	4,499	4,533	101%
One year old & older								
Ewes	220	220	215	98%	3,770	3,610	3,573	99%
Rams	8	7	7	100%	193	188	190	101%
Replacement Lambs	52	53	58	109%	695	702	771	110%
Market Sheep & Lambs	30	20	25	125%	1,642	1,606	1,602	100%
Sheep	1	2	3	150%	67	66	74	112%
Lambs	29	18	22	122%	1,575	1,540	1,528	99%

Lamb Crop, 2001-2003

Item	2002	2003	2004	'04/'03	2002	2003	2004	'04/'03
Lamb crop (1,000 head)	295	280	270	96%	4,357	4,140	4,096	99%

Sheep and Lambs Shorn and Wool Production

Item	2002	2003	2004	'04/'03	2002	2003	2004	'04/'03
Sheep Shorn (000) Hd.								
All Sheep and Lambs	289	272	267	98%	5,476	5,074	5,073	100%
All Wool Shorn (000 Lbs.)	2,788	2,597	2,472	95%	41,322	38,299	37,622	98%
Wool: Price & Value								
Dollars Per Pound	0.76	1.03	1.17	114%	0.53	0.73	0.80	110%
Value (000 Dollars)	2,119	2,675	2,892	1108%	21,876	28,126	29,931	106%

Agricultural Prices Received

December full month crop prices were lower compared with November 2004. Montana's winter wheat average price was \$3.56 per bushel, down \$0.08 from the previous month; spring wheat dropped \$0.23 to \$3.63 per bushel; and durum wheat prices decreased \$0.05 to \$3.80 per bushel. Feed barley prices dropped \$0.08 from the previous month to \$1.61, and malt barley prices were \$3.10 per bushel.

The mid-January price for alfalfa hay was unchanged from December at \$78.00 per ton but all other hay dropped \$1.00 to \$68.00 per ton. The mid-January grain prices were mixed from the previous month with winter wheat price averaging \$3.46 per bushel, spring wheat was \$3.80 per bushel, durum wheat was \$3.80 per bushel, feed barley was \$1.55 per bushel, and malt barley was \$3.27 per bushel.

Livestock prices for the full month of December were mixed compared to the

previous month. Steer and heifer prices decreased \$1.00 to \$109.00 per cwt., but cows were unchanged at \$49.30. The average price for calves rose \$1.00 to \$127.00 per cwt. Sheep prices jumped \$5.80 to \$51.10 per cwt, and lamb prices increased \$1.00 to \$117.00 per cwt. Milk prices decreased \$0.90 per cwt from last month to \$14.70 per cwt. Steer and heifer prices for mid-January averaged \$105.00 per cwt.; cows averaged \$50.60 per cwt.; calves averaged \$128.00 per cwt.; and milk prices averaged \$15.90 per cwt.

Nationally, prices for December and changes from November were as follows: winter wheat was \$3.34, down \$0.05, spring wheat was \$3.46, down \$0.10; durum wheat was \$3.57, down \$0.20; the all barley price was \$2.47, down \$0.04, and steer and heifer prices were \$91.80, up \$1.60 per cwt.

The U.S. mid-January winter wheat price was \$3.31 per bushel, spring wheat was \$3.56 per bushel, durum wheat was

\$3.54 per bushel, all wheat was \$3.42 per bushel, malt barley was \$2.70 per bushel, feed barley was \$1.66 per bushel, and all barley was \$2.37. Steer and heifer prices were \$94.20 per cwt, cow prices were \$50.00, calves were \$123.00 per cwt., all hog prices were \$53.00 per cwt, and all egg prices were \$0.558 per dozen.

The preliminary All Farm Products Index of Prices Received by Farmers in January, at 110, based on 1990-92=100, is 1 points (0.9 percent) below the December Index. The Crop Index is down 3 points (2.9 percent) from December while the Livestock Index is up 1 point (0.8 percent). Lower prices were received for tomatoes, dairy, eggs, and broccoli. The seasonal change in the mix of commodities farmers sell, based on the past 3-year average, also affects the overall index. Increased average marketings of cattle, soybeans, corn, and strawberries offset decreased marketings of grapes, dairy, tobacco, and cotton.

United States Index Summary

INDEX (1990-92=100)	December 2003	January 2004	December 2004	January 2005
Prices Received	114	112	111	110
Prices Paid, Interest, Taxes, & Farm Wage Rates 1/	129	130	133	134
Ratio 2/	88	86	83	82

1/ Prices paid indexes (1990-92=100) published monthly. 2/ Ratio of index of prices received by farmers to index of prices paid.

Montana Average Farm Prices Received

Commodity	UNIT	Monthly Average				Change From Previous		Mid-Month Average	
		Montana			U.S.	Month	Year	Montana	U.S.
		Dec. 2003	Nov. 2004	Dec. 2004	Dec. 2004	Nov. 2004	Dec. 2003	Jan. 15, 2005	Jan. 15, 2005
		Dollars							
Winter Wheat	Bu.	3.62	3.48	3.56	3.34	+0.08	-0.06	3.46	3.31
Durum Wheat	Bu.	3.90	3.85	3.80	3.57	-0.05	-0.10	3.80	3.54
Spring Wheat	Bu.	3.80	3.86	3.63	3.46	-0.23	-0.17	3.80	3.56
All Wheat	Bu.	3.75	3.72	3.62	3.39	-0.10	-0.13	3.70	3.42
Barley, All	Bu.	3.08	2.92	2.89	2.47	-0.03	-0.19	3.03	2.37
Feed Barley	Bu.	2.16	1.69	1.61	1.64	-0.08	-0.55	1.55	1.66
Malt Barley	Bu.	3.51	N/A	3.10	2.73	N/A	-0.41	3.27	2.70
Oats	Bu.	1.58	N/A	N/A	1.56	N/A	N/A	N/A	1.51
Alfalfa Hay	Ton	77.00	78.00	82.00	92.40	+4.00	+1.00	78.00	90.90
All Other Hay	Ton	68.00	69.00	74.00	67.10	+5.00	+1.00	68.00	70.60
All Hay Baled	Ton	76.00	76.00	81.00	84.30	+5.00	NC	76.00	84.20
Steers & Heifers	Cwt	98.90	110.00	109.00	91.80	-1.00	+10.10	105.00	94.20
Cows	Cwt	51.50	49.30	49.30	48.70	NC	-2.20	50.60	50.00
Beef Cattle 1/	Cwt	90.40	88.10	87.50	86.80	-0.60	-2.90	93.00	89.10
Calves	Cwt	114.00	126.00	127.00	122.00	+1.00	+13.00	128.00	123.00
Sheep 2/	Cwt	43.00	45.30	51.10	44.80	+5.80	+8.10	N/A	N/A
Lambs 2/	Cwt	108.00	116.00	117.00	102.00	+1.00	+9.00	N/A	N/A
All Milk	Cwt	15.00	15.60	14.70	16.50	-0.90	-0.30	15.90	15.90

1/ Composite of steers, heifers, and cows. 2/ Mid-month prices for sheep and lambs discontinued.

Farms and Land in Farms

The number of farms and ranches in Montana during 2004 was 28,000, unchanged from the previous year. Farms and ranches are sub-grouped by economic classes. The smallest economic sales category, the \$1,000 to \$9,999 sales group, contains the largest number of farms at 11,800 farms, down 100 farms from 2003. The next economic sales category, \$10,000 to \$99,999, shows 10,500 farms in 2004 compared with 10,600 in 2003; and the number of farms in the economic sales class of \$100,000 or more was 5,700, up from 5,500 in 2003.

The land in farms and ranches is estimated at 60.1 million acres, unchanged from 2003. Montana's average farm size is 2,146 acres. The economic sales breakdown of land in farm and ranches was: \$1,000 to \$9,999 - 4.2 million acres down 2 percent from last year; \$10,000 to \$99,999 - 17.7 million acres, down 1 percent from 2003; \$100,000 or more of sales - 38.2 million acres, up 1 percent from a year ago. The release also contains additional breakouts for number of farms and land in farms for sales categories \$100,000 - \$249,000, \$250,000 - \$499,000, and \$500,000 or more in sales.

The number of farms in the United States in 2004 is estimated at 2.11 million, 0.6 percent fewer than in 2003. Total land in farms, at 936.6 million acres, decreased 2.25 million acres, or 0.2 percent, from 2003. The average farm size was 443 acres in 2004, an increase of 2 acres from the

previous year. The decline in the number of farms and land in farms reflects a continuing consolidation in farming operations and transfers of agricultural land to competing uses.

Farm numbers declined in the 2 smallest economic sales classes and rose in the 3 largest economic sales classes. Part of the reduction in the small economic sales classes was due to normal attrition, mostly retirements. In addition, some operations transferred to larger economic sales classes by enterprise expansion. However, the majority of the changes in the economic sales classes were due to rising incomes. Many operations near the top of their economic sales class in 2003, moved into the next larger economic sales class in 2004.

As a result, the largest percent changes in the United States from 2003 occurred in the smallest and largest economic sales classes. Farm numbers declined 1.6 percent, to 1.18 million farms, in the \$1,000-\$9,999 economic sales class. Meanwhile, farm numbers increased 4.7 percent, to 76,740 farms, in the \$500,000 or more economic sales class. The number of farms with at least \$10,000 in sales rose 0.6 percent from 2003 and the number of farms with at least \$100,000 in sales rose 2.0 percent.

Land in farms also shifted from lower economic sales classes to higher economic sales classes. In the \$1,000-\$9,999 economic sales class, land in farms dropped 3.1 percent, to 120.8 million acres. Land operated by farms in the largest economic

sales class, \$500,000 or more in sales, increased 3.1 percent, to 203.8 million acres.

The average farm size decreased in each economic sales class even though the National average increased. The largest operations in each economic sales class for 2003 became the smallest operations in the next higher economic sales class for 2004. The combination of losing the larger operations and gaining smaller operations drove the average farm size down in each economic sales class.

December Egg Production

U.S. egg production totaled 7.70 billion during December 2004, up 2 percent from last year. Production included 6.62 billion table eggs, and 1.08 billion hatching eggs, of which 1.02 billion were broiler-type and 62 million were egg-type. The total number of layers during December 2004 averaged 345 million, up 2 percent from a year earlier. December egg production per 100 layers was 2,235 eggs, up 1 percent from December 2003.

All layers in the U.S. on January 1, 2005, totaled 346 million, up 3 percent from a year ago. The 346 million layers consisted of 287 million layers producing table or market type eggs, 56.2 million layers producing broiler-type hatching eggs, and 2.72 million layers producing egg-type hatching eggs. Rate of lay per day on January 1, 2005, averaged 71.3 eggs per 100 layers, up slightly from a year ago.

COMING IN NEXT REPORTER

Alfalfa Seed Production	Milk Production
Wheat & Barley County Est.	Farm Labor
Red Meat Production	Cattle on Feed
Crop Values	U.S. and Canadian Cattle
Potato Stocks	Egg Production

Peggy Stringer, Director
John Hilton, Deputy Director
Wendy Bruski, Editor

10 W. 15th Street, Suite 3100, Helena, Montana 59626
406-441-1240 or 1-800-835-2612
www.nass.usda.gov/mt/ nass-mt@nass.usda.gov